



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

0002

July 21, 2009

CERTIFIED RETURN RECEIPT
7003 2260 0002 0247 8294

Lon Thomas
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Notice of Cancellation/Termination of Reclamation LOC Number _____, Star Stone Quarries, Inc., Aragonite Quarry, M/045/0031, Tooele County, Utah

Dear Mr. Thomas:

Please review the enclosed Notice of Non-Renewal notification from Key Bank indicating the Letter of Credit (LOC) in the amount of \$13,630.00 for the Aragonite quarry will not be renewed. According to the terms of the LOC, the Bank may elect not to renew as long as a ninety (90) day notice is given to the Division. These terms have been met; therefore, effective October 1, 2009, the LOC will be not be renewed. Paragraph 2 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety on or before August 23, 2009, or the Division will be forced to do any/some of the following:

- Carry out the terms of the LOC
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected

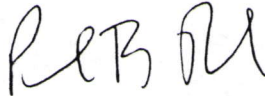


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Lon Thomas
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If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email bondcoordinator@utah.gov . Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker'.

Paul Baker
Minerals Program Manager

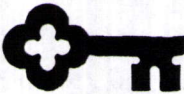
PBB:pb

Enclosure: Notice of Non-Renewal

Cc: opie_abeyta@blm.gov

Stephen_allen@blm.gov

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KEYBANK NATIONAL ASSOCIATION
STANDBY LETTER OF CREDIT SERVICES
MAIL CODE: OH-01-51-0435
4910 TIEDEMAN ROAD
CLEVELAND, OH 44144-2338
TEL. NO: 216-813-3696, -3698, -3702, -3714, -3715
FAX NO: 216-813-3719

June 24, 2009

Utah Division of Oil, Gas and Mining (DOGM)
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

For itself and as agent for:

The Bureau of Land Management (BLM)
Utah State Office
440 West 200 South Suite 500
Salt Lake City, Utah 84101

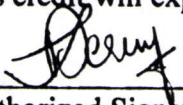
Re: Star Stone Quarries, Inc., Aragonite Mine Site DOGM Permit M450031.

**** Notice of Non-Renewal ****

Re: Our Standby Letter of Credit Number: dated October 1, 2008.
Account Party: Star Stone Quarries, Inc.

The above referenced Letter of Credit was issued with the condition that it be automatically extended without amendment from the present or any future expiration date unless we notify you in accordance with the Letter of Credit terms.

We hereby notify you that we elect not to extend this credit for any additional period and therefore, this credit will expire in full with our close of business on October 1, 2009.



Authorized Signature

cc: Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, UT 84107

RECEIVED

JUN 30 2009

DIV. OF OIL, GAS & MINING